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Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

July 15, 2010

*Outgoing*  
C0150032  
#3582  
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Dave Shaver, Manager  
Genwal Resources, Inc.  
P.O. Box 910  
Price, Utah 84520-0910

Subject: Temporary Iron Sludge Storage, Task ID # 3582, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032

Dear Mr. Shaver:

The above-referenced amendment is approved effective July 15, 2010. On July 12, 2010, the Division of Oil, Gas and Mining (the Division) conditionally approved the above-referenced amendment. Final approval was contingent up on the following conditions being met:

- 1) Insert the following commitment into Appendix 7-65 (Mine Discharge Water Iron Treatment Facility) of the approved MRP:

*Following the termination of the clean out testing period (ending October 30, 2010), the following revisions to Appendix 7-65, Mine Discharge Water Iron Treatment Facility, will be submitted to the Division of Oil, Gas and Mining by November 30, 2010:*

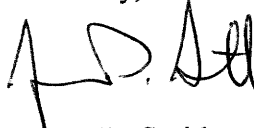
- o *Deletion of any previously approved language, discussion or attachment that is no longer relevant or applicable based upon current conditions.*
- o *Revisions that reflect the design, as-built construction, operation, clean out and maintenance aspects of the Mine Discharge Water Iron Treatment System.*
- o *A summary/chronology of the experimental process that led to the final design including:*
  - *A summary of the various treatment methods that were examined/tested.*
  - *A discussion as to the chemical additives that were employed during the trial and error process. The discussion shall include the ratios of chemicals that were utilized in the various test configurations as well as the corresponding water quality results.*
  - *An up to date tabulation of the mine-water flow data that has been collected since the installation of the AVF Flow Meter*
  - *The field data and lab analytical results that were obtained during the various test configurations/water treatment approaches that were explored.*

- *A discussion of iron sludge disposal options as contingency in the event that the Wildcat Loadout facility is no longer available to receive the material.*
  - *An up to date summary of the operational costs for the operational water treatment system configuration including: chemical costs, labor costs, maintenance costs, clean-out costs and equipment repair/replacement costs.*
- 2) Delete the first paragraph on page 11 of the submitted amendment (Task ID #3582).
- 3) Provide eight complete copies prepared for incorporation (four of these copies must be paper, the other four can be on a CD).

The conditions have been met. A stamped incorporated copy is enclosed for insertion into your copy of the Mining and Reclamation Plan.

If you have any questions, please call me at (801) 538-5262 or Steve Christensen at (801) 538-5350.

Sincerely,



James D. Smith  
Permit Supervisor

JDS/SKC/sqs  
Enclosure

cc: Richard Holbrook, OSM  
Jeff McKenzie, BLM  
Larry Crist, USFWS w/o  
Pam Brown, USFS  
Marc Stilson, Water Rights w/o  
Dave Ariotti, DEQ w/o  
Chris Wood, DWR w/o  
Price Field Office

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